Automotive News

August 18, 1986

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Hyundai franchises offered to dealers in scam

By Matt De Lorenzo
AUTOMOTIVE NEWS STAFF REPORTER
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LOS ANGELES — At least 20 U.S. dealers have been offered Hyundai franchises for $5,000 to $2 million by individuals purporting to have connections with Hyundai Motor Co. in South Korea.

Hyundai Motor America Inc., the only U.S. authorized distributor, uncovered the scams recently and obtained a preliminary injunction here against one operator who offered up to 25 franchises across the Sunbelt to an Arizona dealer for $350,000.

Although dealers have placed amounts ranging from $5,000 to $350,000 in cash in escrow accounts to receive the franchises, Hyundai said none have admitted losing any money. Once the scam was uncovered, dealers told Hyundai they were able to recover the monies from escrow.

Hyundai cars barred from Japan, exec says. Story on page 2.

Finbarr O'Neill, Hyundai Motor America vice president and general counsel, said the cases appear unrelated, although documents used in the West Coast incident made their way to Atlanta and were used by people there in approaching dealers.

"A number of dealers have been approached by individuals touting some alleged connection with the Hyundai family," O'Neill said. "They are not at all authorized to represent Hyundai. We've moved promptly against these individuals to get them to cease and desist."

O'Neill said that while the cases have been generally unrelated, the pitches are fairly similar — a dealer is approached by someone who implies that he has some connection with Hyundai or government officials in Korea and can arrange a franchise deal.

"They capitalize on their own alleged connections, which are always sort of vague," O'Neill said.

Although Hyundai Motor America knows of some 20 to 30 dealers who have been contacted by persons promising franchises, it is not known exactly how many operators there are or how widespread the activity is.

"That's the one troubling point; we don't know if this is all there is or if it could be the tip of the iceberg," O'Neill said.

O'Neill stressed that "the only way to be considered (for a franchise) is to apply to Hyundai Motor America. We don't operate through brokers. There's a perception out there that a Korean auto company would somehow operate differently. That's not the case."

Even before Hyundai sold its first car in the United States, people were approaching dealers and offering franchises, according to O'Neill.

The first case was reported in New York during April 1985. Dealers were approached by an individual who promised to deliver franchises for a 15 percent interest in each point. O'Neill said a cease and desist agreement was obtained from that person.

see HYUNDAI, page 72

U.S. automakers caught in middle in South Africa

By Jeremy Sinek
STAFF CORRESPONDENT

JOHANNESBURG, South Africa — As battles over South Africa's apartheid policy intensify here and in the United States, America's two largest automakers are finding themselves caught in the middle.

Last week, General Motors and Ford Motor Co. were among corporations here that signed an advertisement urging the South African government to "remove all discriminatory legislation without delay." The ad was sponsored by the American Chamber of Commerce, which represents 305 U.S.-owned businesses that operate in South Africa.

And as talk of economic sanctions against South Africa intensified last week in Western capitals, some commodity markets reacted by driving up the price of two key metals — platinum and gold — because of concern that the South African government could respond to its critics by halting or reducing the exportation of such strategic metals.

South Africa supplies 80 percent of the West's platinum and 60 percent of its gold. Platinum is necessary for catalytic converters in autos and is essential for some military equipment.

Against that backdrop, General Motors and Ford are trying to cope.

Ford has already reduced its exposure in South Africa; 18 months ago, it became a minority partner in South African Motor Corp. (SAMCOR), which builds some Ford sedans and also makes Mazdas and Mitsubishis, some sold with Ford nameplates.

General Motors South African, a wholly owned subsidiary of the parent corporation, is trying to find a similar arrangement. But the two companies, which have built cars in South Africa since the mid-1920s, together still account for 20 percent of the overall vehicle market in South Africa.

SAMCOR was formed by a merger of Ford of South Africa and Amcar Motor Holdings, the automotive subsidiary of South Africa's Anglo American Industrial Corp.

GM has made no secret that it would like a similar tie-up, either with another carmaker — it held abortive talks with BMW late last year — or with a local conglomerate that could open the way into company fleet markets and provide easier access to local borrowing. Such an arrangement also would lessen the potential blow to the corporation in the event of U.S.-imposed sanctions. Like all South African automakers, GM and Ford have to meet regulations requiring 66 percent local content by weight for passen-

...APARTHEID, page ...

American Motors Corporation

AUTOMOTIVE NEWS/JOE WILSSENS

Pleased as punch
AMC President Joseph Cappy and AMC Chairman Pierre Semerena listen to comments from AMC stockholders, who approved a company restructuring plan last week. Story on page 74.

Import stocks set record

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

The inventory of new imported cars on Aug. 1 was the highest since Automotive News began reporting the figures in April 1982.

The peak inventory was reached despite the fact that import sales during July were the best ever.

The Aug. 1 stockpile totaled 443,244, but a brisk sales pace kept the days' supply of 40 unchanged from the previous month.

Inventory a month earlier totaled 400,106, and on Aug. 1, 1985, the count was 291,871.

The previous record high was set July 1, 1982, when there were 438,113 cars in inventory.

see IMPORTS, page 71

Volvo, GM OK big-truck link; Volvo to hold 65%

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

General Motors and AB Volvo of Sweden signed a memorandum of understanding Aug. 14, forming a new joint-venture company in the heavy-truck field.

It is called Volvo GM Heavy Truck Corp., and it will handle all of the two firms' North American Class 8 manufacturing, marketing, sales and service operations.

Automotive News first reported an impending deal July 28.

The new company will be based in Volvo White's Greensboro, N.C., headquarters and will essentially be run by Volvo.

Volvo will have at least a 65 percent equity share of the new firm, according to Thomas S. McDaniel, group director, Business Planning Staff, GM Truck & Bus Group.

Volvo will have seven representatives on the new company's 10-member board of directors. GM

see VOLVO, page 71

Buick, Oldsmobile scrutinized by GM

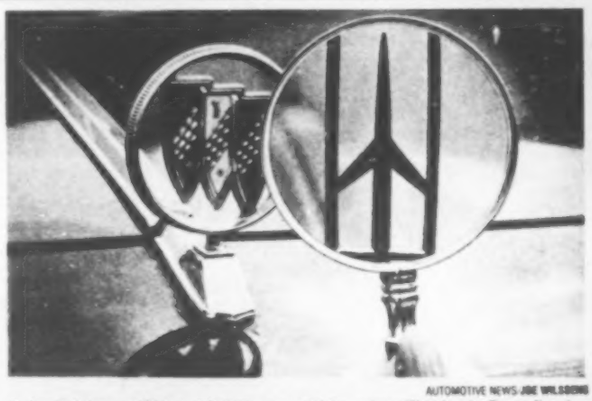
By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

Buick and Oldsmobile are under General Motors' magnifying glass so GM can see where their differences lie.

William Hoglund, GM vice president in charge of the Buick-Oldsmobile-Cadillac Group, said the two divisions are sorting out which markets to go after so they can stop battling each other for the same buyers.

All GM divisions are involved in a program to define their markets and reduce the number of models they offer. The plan is to pit the car divisions against outside competitors, not each other, and to reduce the number of models offered by GM.

see BUICK-OLDS, page 72



AUTOMOTIVE NEWS/JOE WILSSENS

Is it a Buick or an Oldsmobile? The two divisions are still trying to figure it out.

NEWSPAPER

...settled at
.../Sable plant
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40 Detroit dealers
claim FTC victory
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Mexican racing
draws Chrysler interest
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Chrysler-UAW negotiations give new hope to three plants

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

Three Chrysler Corp. plants have a chance for a new lease on life following successful negotiations between the company and the UAW in recent weeks.

• UAW workers at the Jefferson Avenue assembly plant in Detroit have ratified a seven-year operating agreement that Chrysler has said it must have before investing up to $1.2 billion to build a new plant and produce a new pickup truck there.

The future of the Jefferson plant now hinges on Chrysler's ability to obtain state and city tax incentives.

• UAW workers at Chrysler's Huntsville, Ala., electronics plant have also ratified a multi-year, "modern" agreement which paves the way for a new plant to be known as Chrysler Electronic City.

• Union members at Chrysler's Trenton, Mich., engine plant were scheduled to vote Sunday, Aug. 17, on a tentative new-style operating agreement that is needed to win a $280 million investment by Chrysler to build a new V-6 engine at the plant.

The agreements are all so-called progressive operating pacts. They call for fewer job classifications, a "pay for knowledge" method of compensation, a team concept of production and a cooperative labor-management philosophy.

The Jefferson agreement, for example, cuts job classifications from about 98 to 10.

The UAW said the pacts also provide for wage increases.

Chrysler hopes to increase the plants' productivity and efficiency, and the union seeks to ensure continued operation of the plants and give workers a greater voice in their working lives.

The agreements are not effective immediately.

In Huntsville, the new contract covering 2,500 members of UAW Local 1413 would take effect in the spring of 1988 when a new plant is scheduled to open. The Trenton agreement would become effective when production of the new V-6 begins.

At Jefferson Avenue, the new agreement would take effect in the spring of 1988 when truck production is expected to begin.

The plant currently assembles Plymouth Reliant and Dodge Aries models.

Chrysler has said that if its conditions are met, it will begin truck assembly in a rehabilitated plant in 1988 and also will construct a new assembly complex.

On Aug. 10, members of UAW Local 7, which represents about 4,000 Jefferson Avenue employees, voted 684 to 316 to ratify the contract.

Chrysler called the ratification a "giant step in the right direction."

"Now the job needs to be completed and that will take an appropriate incentive agreement by the city and state," the company said.

Bieber says transplants could cost 200,000 U.S. auto jobs by 1990

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

UAW President Owen Bieber says the United States could lose 200,000 jobs by 1990 because of an anticipated surge in "transplant" assembly operations.

Transplant operations refer to the vehicle assembly plants in the United States operated by foreign automakers.

The job loss may occur as sales of transplant vehicles in North America displace 2.2 million units of Big Three sales by 1990, Bieber said in a letter to U.S. Trade Representative Clayton Yeutter.

UAW research indicates that by 1990, as many as 13 North American plants will be assembling up to 2.4 million overseas-designed vehicles for the North American market, Bieber said.

He said that while a typical Big Three assembly plant producing 200,000 vehicles annually supports 25,000 "backup" parts and supplier jobs at a level of 95 percent domestic content, the transplant operation using 30 percent U.S. parts generates only 6,700 "backup" jobs.

Bieber made the job-loss prediction in a letter urging Yeutter to support the "broadest possible agenda" on auto parts during upcoming trade talks between Japan and the United States. The Market-Oriented Sector Specific (MOSS) talks open Wednesday in Tokyo.

"We believe the worst possible scenario would be to restrict the MOSS talks to narrow discussions about Japanese government regulations of auto parts imports," Bieber said. The UAW urged "discussions of the impact of Japanese trade and investment on the U.S. auto and parts industry."

Bieber acknowledged that it is "imperative" that the talks seek access to the Japanese market for U.S. supplier firms because U.S. firms must qualify as original-equipment suppliers in Japan in order to source transplant operations in this country.

"We view access and qualification in Japan as a means or bridge to a larger end," Bieber said. "That end is greatly expanded purchases of parts produced by U.S.-based companies for vehicles assembled here by the transplant firms.

"Several U.S. parts producers have tried to get contracts to supply the transplants, but their success has been limited," Bieber said.

UAW studies indicate that transplant assemblers are buying U.S.-made components which are "low value, bulky and costly to transport; components which are highly standardized; and material such as aluminum and plastic which are cheaper here than in Japan," Bieber said.

"Typically, only about 30 percent, by value, of parts in their U.S.-assembled vehicles is sourced from our supplier firms," Bieber claimed. "In general, except for final assembly and body panel stamping, most of the high-value-added and labor-intensive operations are retained in Japan."

He said that in addition to leading to massive job losses, the use of Japanese suppliers increases the trade deficit.

"The use of an average of $3,000 worth of imported parts in each of the 2.2 million additional transplant-assembled units would add $6.6 billion to the automotive trade deficit by 1990," Bieber said.

AUTOMOTIVE NEWS/JOE WILSEMS

Owen Bieber: "We view access and qualification in Japan as a means or bridge to a larger end. That end is greatly expanded purchases of parts produced by U.S.-based companies for vehicles assembled here by the transplant firms."

SUPPLIER JOBS CREATED
UAW estimates for an assembly plant producing 200,000 cars a year

	Jobs Created: Traditional Domestic	Jobs Created: Transplant	Pct. Sourced in U.S. by Transplant
High value			
Engines & engine parts	1,880	280	14
Exhaust systems	320	160	50
Drivetrains	1,550	0	0
Brakes	380	190	50
Wheels	170	170	100
Carburetors, pistons, valves, rings	480	0	0
Fasteners	990	100	10
Gray iron foundaries	740	0	0
Value-added			
Radios	80	80	100
Electronic components	20	0	0
Engine electric	960	0	0
Refrigeration & heating	250	250	100
Storage batteries	380	190	50
Vehicular lighting	200	200	100
Wiring	200	0	0
Motors & generators	240	120	50
Body			
Seats	100	100	100
Stamping	1,630	1,370	75
Materials			
Steel	810	410	50
Aluminum	190	190	100
Glass	120	150	100
Paint & chemicals	420	460	100
Fabric	1,280	1,280	100
Plastics	480	480	100
Tires & rubber	510	280	50
Other materials	740	0	0
Tooling			
Machine tools	350	0	0
Hand tools	580	0	0
Investment goods			
Machines	550	0	0
Office & communication machinery	510	0	0
Overhead			
Paper, print, furniture, food	1,050	310	30
Other	6,500	0	0
Total parts employment	25,000*	6,700	

* Does not add due to rounding.

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61st year—No. 5141

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Atlanta strike ends; 24,000 Taurus/Sables lost

By Mary Connelly
DETROIT REPORTER

Production of Taurus and Sable models was scheduled to resume today, Aug. 18, at Ford Motor Co.'s Atlanta, Ga., assembly plant pending settlement ratification by striking workers Friday afternoon.

A spokesman for UAW Local 882, which represents 3,000 striking workers at the plant, said the union bargaining committee was optimistic the agreement would be ratified. Voting results were not available Friday afternoon.

Ford said the 27-day strike cost production of 24,000 units of the strong-selling models. The Atlanta plant is one of two producing Taurus and Sable models.

Before the strike began, Ford said it had back orders for 160,000 Taurus and Sable models and a four-month delivery lag.

Union members walked off the job July 19 to protest working conditions. Tentative settlement was reached after a 16-hour bargaining session last week.

Sid Hamby, president of UAW Local 882, said the working conditions which prompted the strike included "severe heat problems" in the plant, "poor ventilation," noise levels in excess of federal regulations and hazardous asbestos fibers in working areas.

"The bargaining committee feels we got a good settlement," said J.C. Phillips, a member of the Local 882 bargaining committee. "We feel the working conditions will be better in the plant."

Phillips said the agreement calls for additional fans to reduce heat and boost ventilation in the plant and requires repairs where needed to bring noise levels within federal regulations.

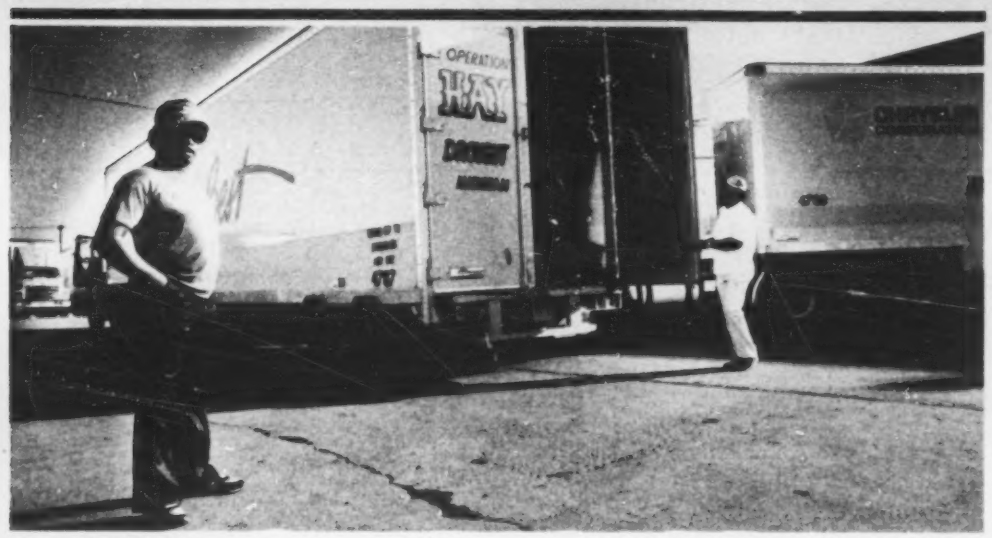
"We also got language that the company will keep asbestos repaired as necessary in the plant," Phillips said.

The strike at the Atlanta plant was allowed under the national agreement between Ford and the UAW, which permits employees to strike over health and safety issues and work standards.

However, the local union has also told Ford it is concerned about outsourcing of work at the Atlanta plant, although that is not a strikeable issue. The union cited the use of a Florida-based company to man a 100,000-square-foot warehouse which stocks more than 220 items to supply the assembly plant.

"Outsourcing was discussed across the table," said Phillips, who declined to reveal the outcome of the talks pending agreement ratification by the local membership.

Throughout the strike, production continued at Ford's Chicago assembly plant, which provides 50 percent of the Taurus and Sable sedans and wagons.



'Operation Hayride'

AUTOMOTIVE NEWS JOE WILSEMS

Five Chrysler trucks were used to deliver 2,500 bales of hay to drought-ridden southern states for livestock fodder. Twelve UAW members from Chrysler Transport in Detroit volunteered to drive the trucks, which were provided by Chrysler Motors. The hay — 125,000 pounds of it — was collected from Michigan farmers and was delivered last week to Forest Park, Ga.

Detroit dealers win partial FTC victory

Federal Trade Commission lawyers have agreed to drop charges that Detroit-area auto dealers used threats of violence and coercion for several years in an effort to limit business hours.

The allegations are part of an FTC antitrust action which accuses nearly 100 Detroit-area dealerships of conspiring to close on Saturdays and most weeknights. Trial before Administrative Law Judge James Timony began last month in Washington and is currently in recess until Sept. 8.

Daniel Hayes, executive vice president of the Detroit Auto Dealers Association, conceded that the "bulk of the case" must still be tried, but he said that dismissal of the threats and coercion charges is an important victory for dealers.

"The case isn't over, but obviously this was central to their case," he said. "With the charges of intimidation and violence out, the underpinning of the case is gone."

Several weeks ago, the dealers asked Timony to throw out the section of the complaint alleging threats and coercion. Acting on the motion, Timony had given FTC lawyers until Aug. 29 to produce 10 exhibits of such behavior by dealers.

Government attorneys last week filed notice with Timony that they would not present a list and would not oppose the motion for dismissal.

An order dropping the charges is being drafted by dealer counsel. The document must be approved by Timony before being forwarded to the full commission for ratification.

"The government was unable to connect any act of intimidation or threat of violence with any new-car dealer in this area," Hayes said.

In announcing the agreement, he called for an apology from FTC lawyers, claiming that the charges have been "a terrible burden for our dealers to bear." But he said the dealer group has not decided whether to file counter-charges.

"The temptation is there, but that is another tricky legal process and we're tired of dealing with these people," he said.

An FTC spokeswoman said last week that the agency does not oppose dropping the paragraph in the complaint citing threats and coercion.

"That has only limited significance and does not affect the main thrust of the case," she said.

During the trial, FTC lawyers have contended that limiting hours adversely affects the ability of car buyers to compare prices and obtain the best deal. They also have sought to show that dealers had no economic justification for reducing hours.

Dealer attorneys have argued that sales personnel pressured dealers to set uniform hours; that dealers did not use threats or coercion; and that dealers are exempt from antitrust laws because they were acting to prevent sales staffs from organizing a union.

The FTC brought restraint of trade charges in December 1984 against 105 individuals, 115 dealerships and 19 dealer associations. However, dealer spokesmen say some respondents have been dropped. DADA attorney Lawrence Raniszeski said last week that 83 individuals, 98 dealerships and 18 associations remain as defendants.

The FTC has declined to confirm the removal of any respondents from the case. But sources say commission approval is virtually certain. Some names have been stricken because the individuals are deceased or long out of business. Many charges included in the case date back to the mid-1960s.

Earlier this summer, Detroit-area dealers and the FTC reached a tentative consent settlement of charges that dealers conspired to restrict price advertising.

The FTC had charged that dealers sought to stop price advertising of current models in local newspapers, resulting in higher costs for consumers. The consent agreement dismissing those allegations is likely but has yet to be acted upon by the commission.

Makers seek to cope with Mexico's troubles

By Stephen Downer
STAFF CORRESPONDENT

MEXICO CITY — Mexico's economic crisis is forcing the country's six carmakers to rethink their marketing strategies.

Some, like Volkswagen de Mexico and Chrysler de Mexico, plan to increase promotional advertising spending in 1987 and slash budgets for image building.

"A person who doesn't have the money to buy a car in Mexico is not going to have it if we do more advertising," said Marcus Huchrak, VW de Mexico's advertising and sales promotions chief. ". . . To motivate the market at the moment is very difficult."

Instead, VW de Mexico will try to motivate salespeople by dazzling them with prizes.

"If a salesman sells a Beetle, he'll get one point," Huchrak said. "If he sells a Corsar, he'll get 10. One hundred and twenty points will win him a trip to Europe, and 200 points a trip to Europe with all expenses paid. He'll be able to choose what he wants. There'll even be a house among the prizes."

The gloomy predictions of at least a 30 percent drop in car sales this year did not change following preliminary reports on sales in June, traditionally a bad month.

Huchrak said that in May, VW de Mexico lowered its 1986 car sales estimate from 90,000 to 61,000. Nevertheless, he said, VW expects to outsell Nissan this year.

But Mike Meckel, Ford's advertising manager, said Ford believed that Nissan would finish in first place this year, for the first time since it began selling cars in Mexico 25 years ago and started making them in the country 20 years ago.

Nissan, VW and Renault this summer have been offering a six-month interest-free financing plan to buyers who put 50 percent down.

"By having such strong incentives, Nissan is penetrating the market," Meckel said. "I'm sure this strategy comes from Japan. They did the same in the United States some years ago."

Luis Adame, Nissan Mexicana's marketing manager, said, however, that the Japanese carmaker would not cut back on image-building advertising next year.

"The others have been building their image in Mexico over more years than we have," he said. "We can't afford to stop building ours."

Meckel said, "My strategy next year will be to find a balance between image advertising and hard sell advertising, which includes all the incentive plans."

Ford had been the image leader in the Mexican market; Meckel said he planned to spend 70 percent on image next year and 30 percent on promotions. Ford will continue to advertise on television, despite the 120 percent price increase in the last year by Televisa, Mexico's and Latin America's major television consortium. Meckel said that most automotive companies in Mexico were spending about $1,384,615 a year with Televisa.

Nevertheless, Meckel said Ford might reduce the number of television events that it sponsors — now about 18 a year.

Inaki Landaburu, Chrysler de Mexico's advertising and promotions manager, said Chrysler would spend about 40 percent of its advertising and promotions budget on promotions next year, about the same as this year but double what it spent last year. The rest would be spent on image advertising.

Huchrak, describing VW de Mexico's philosophy in greater detail, said, "We are forgetting for the moment the aspect of communicating what the brand is. We want to get a mixture of promotional and advertising activities."

He said that throughout May and June, VW and about 180 of its 230 distributors had organized a raffle with 15 cars as prizes. About 35,000 people entered after completing a questionnaire. Huchrak said 10,000 of them were serious prospective buyers. "The raffle was a success, because we got people into the showrooms," he said.

The cost to VW de Mexico, including the cars, was just under $1 million, he said.

Huchrak said that this year for the first time VW de Mexico had to contribute toward advertising costs normally paid entirely by the distributors, who added 1.35 percent to the basic price of a vehicle for the purpose.

By the end of July, the company had contributed the equivalent of about $2 million toward advertising. Huchrak said he thought that next year it would be possible to reach an agreement whereby the distributors and company each paid half.

JUNE CAR SALES IN MEXICO
preliminary figures reported by VW de Mexico

	1986		1985	
	% of market	sales	% of market	sales
Nissan Mexicana	36.4	5,542	19.5	4,331
VW de Mexico	31.1	4,737	34.9	7,740
Chrysler de Mexico	17.6	2,655	15.7	3,494
Ford Motor Co.	9.8	1,492	15.5	3,442
GM de Mexico	3.6	553	8.7	1,920
Renault de Mexico	1.5	228	5.7	1,261

Mazda legal requirements on recall under fire

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Requiring some 500,000 Mazda owners to give up their legal rights to obtain a refund for head-gasket repairs is unfair and unprecedented, according to the Center for Auto Safety.

Replacing head gaskets costs about $400. Replacing the entire cylinder head can cost $1,300, and repair costs can exceed $2,000 if the engine is damaged.

In disclosing Mazda's informal warranty extension on its 1979-82 626 cars and 1979-84 B-2000 trucks, the safety center also criticized the company for failing to give the public notice of the problem and for not allowing consumers enough time to discover the problem or to have it fixed.

On Feb. 28, 1986, Mazda advised owners that it would reimburse them for head-gasket repairs if they responded within 90 days and if they signed a legal release.

The center charged that many owners may not be able to recover their expenses under Mazda's restrictions. The center described the legal release as "so broad that should the replacement head gasket fail later and cause personal injury, the consumer would be barred from any recovery."

The center said that the 90-day period specified by Mazda was not enough time, since the vehicles can be up to seven years old and may have been sold to second owners. Owners who have moved, sold their cars or recently bought a used Mazda may not have been able to meet the May 31, 1986, deadline, the center said.

The center maintained that Mazda's reimbursement program can also be unfair to those who bought one of the vehicles before Feb. 28, 1986, but who had the repair made later.

The center cited the case of a Virginia man who complained of the problem in late 1985 and in early 1986, but the dealer failed to replace the head gasket until March 1986 — after the five-year warranty had expired.

When the dealer and Mazda of America (East) refused to pay the $827 repair bill, the car owner complained to Mazda's president in Japan and was offered a $733 "goodwill" settlement. But, said the center, a less-persistent Mazda owner would get nothing.

The center is asking Mazda to extend the reimbursement period to Dec. 31. 1986, and to extend the warranty from 5 years/60,000 miles to 6/60.

It also wants Mazda to reimburse consumers and provide free repairs to those who first complained during the extended warranty period but had the repair made later. The center wants Mazda to advertise the program nationally in order to reach all affected consumers.

But most important, the center wants elimination of the release from legal liability that consumers must sign to get any repairs.

Mazda East declined to comment.

REGISTRATIONS

June's figure best for '86

By Jenny L. King
AUTOMOTIVE NEWS STAFF REPORTER

New-car registrations in June were highest for any month so far this year and were fourth best for that month. The import total was a record for the month, according to figures supplied by R.L. Polk & Co.

The first-half total was up some 160,000 cars from the 1985 period. Domestics were off 3.23 percent, imports were up 21.93 percent.

June registrations totaled 1,011,837, up 9.64 percent from 922,910 a year earlier.

Low-interest-rate loans accounted for the domestic-registration increase of 7.10 percent June to June. Domestic registrations numbered 714,196 this year, up from 666,863 in June, 1985.

The addition of new imports plus the usual buyer enthusiasm for cars built outside the United States resulted in record June import registrations of 297,641, up 16.24 percent from 256,047 last year.

Chrysler Motors and the combined imports, which include U.S.-assembled Honda, Volkswagen and Nissan cars, gained in shares of the market June to June.

Chrysler was up 1.14 percentage points, to 10.77 percent from 9.63 percent. Imports claimed 29.42 percent of the month's market, up 1.69 percentage points from 27.74 percent the preceding year.

Excluding imports, the June market was divided in this manner: General Motors had 58.77 percent, down from 59.39 percent a year ago; Ford Motor Co. was down to 25.23 percent from 25.81 percent; Chrysler Motors climbed to 15.25 percent from 13.33 percent, and American Motors plunged to 0.75 percent from 1.47 percent.

NEW-CAR MARKET SHARES IN U.S.

	JUNE					JULY THROUGH JUNE				
	Regis. 1986	Percent Share of Market	Regis. 1985	Percent Share of Market	Pct. Pt. Change '86 vs. '85	Regis. 1986	Percent Share of Market	Regis. 1985	Percent Share of Market	Pct. Pt. Change '86 vs. '85
Chevrolet	149,138	14.84	133,515	14.47	+0.17	798,859	14.80	775,884	14.75	-0.12
Ford	121,877	12.04	118,758	12.87	-0.83	667,651	12.32	704,232	13.39	-1.07
Oldsmobile	98,114	9.70	98,408	10.44	-0.74	530,088	9.78	527,724	10.04	-0.26
Pontiac	78,993	7.80	67,104	7.27	+0.53	422,978	7.80	377,770	7.18	+0.62
Buick	70,253	6.94	73,423	7.96	-1.02	388,554	6.80	428,861	8.16	-1.36
Mercury	44,715	4.42	42,018	4.55	-0.13	238,222	4.40	261,572	4.97	-0.57
Dodge	42,220	4.18	33,080	3.58	+0.60	206,756	3.81	227,574	4.33	-0.52
Plymouth	35,415	3.50	22,899	2.48	+1.02	170,683	3.15	179,558	3.41	-0.26
Chrysler	31,285	3.09	32,928	3.57	-0.48	171,551	3.17	178,858	3.40	-0.23
Cadillac	24,252	2.40	25,613	2.78	-0.38	142,458	2.63	142,107	2.70	-0.07
Lincoln	13,620	1.35	11,325	1.23	+0.12	76,286	1.41	77,717	1.48	-0.07
AMC	5,305	0.52	9,778	1.06	-0.54	35,430	0.66	67,364	1.28	-0.62
GENERAL MOTORS	419,750	41.48	396,063	42.92	-1.44	2,254,931	41.61	2,252,176	42.83	-1.22
FORD MOTOR CO.	180,212	17.81	172,101	18.65	-0.84	982,159	18.13	1,043,521	19.84	-1.71
CHRYSLER MOTORS	105,920	10.77	88,907	9.63	+1.14	548,990	10.13	585,990	11.14	-1.01
AMC	5,305	0.52	9,778	1.06	-0.54	35,430	0.66	67,364	1.28	-0.62
IMPORTS	297,641	29.42	256,047	27.74	+1.68	1,597,006	29.47	1,309,811	24.91	+4.56
MISC. DOMESTIC	9	0.00	14	0.00	-0.00	46	0.00	105	0.00	-0.00
TOTAL	1,011,837		922,910			5,418,562		5,258,967		

Automotive News analysis of new-car registrations based on R.L. Polk & Co. statistical report. Chrysler numbers based on manufacturers' sales records.

AUTOMOTIVE NEWS ANALYSIS OF NEW-CAR REGISTRATIONS

Based on R.L. Polk & Co. Statistical Report
JUNE, 1986 VERSUS JUNE, 1985

	1986 Month	1986 Year	1985 Month	1985 Year
AMC Alliance FWD	3,843	24,489	5,288	36,206
Encore FWD	909	6,699	3,729	24,535
Eagle 4WD	85	700	144	1,500
Eagle 4WD SW	468	3,542	617	5,123
TOTAL AMC	5,305	35,430	9,778	67,364
Chrysler Laser FWD	2,816	14,843	3,913	29,114
LeBaron GTS FWD	4,251	32,677	7,966	27,878
LeBaron FWD	8,781	46,890	6,958	41,909
LeBaron SW FWD	618	3,354	627	3,704
E Class-NY FWD	4,530	26,380	4,447	28,320
NY Fifth Ave-Newpt	10,287	47,396	9,017	47,933
Total	31,285	171,551	32,928	179,558
Plymouth Horizon FWD	12,950	50,401	5,206	49,637
Sundance FWD	3	3	0	0
Turismo FWD	3,878	21,463	3,678	31,023
Reliant FWD	10,414	55,577	6,815	53,425
Reliant SW FWD	2,663	15,437	2,270	16,721
Caravelle FWD	3,906	20,193	3,077	18,844
Gran Fury	1,601	7,609	1,853	9,908
Total	35,415	170,683	22,899	179,558
Dodge Omni FWD	10,547	43,109	4,575	42,127
Shadow FWD	28	28	0	0
Charger FWD	4,171	23,181	3,903	33,582
Daytona FWD	4,003	19,540	3,678	26,792
Aries FWD	7,313	38,410	5,587	43,844
Aries SW FWD	2,542	12,700	2,062	13,299
Lancer FWD	3,375	23,679	5,539	19,872
600/400 FWD	7,537	32,587	4,647	29,286
Diplomat	2,704	13,522	3,089	18,772
Total	42,220	206,756	33,080	227,574
TOTAL CHRYSLER CORP.	108,920	548,990	88,907	585,990
Ford Escort FWD	29,390	159,884	33,045	153,186
Escort SW FWD	6,546	41,623	8,664	39,151
EXP FWD	35	321	1,576	14,537
Mustang	16,849	87,425	14,230	80,819
Tempo FWD	20,115	127,767	16,596	156,116
Taurus FWD	16,312	64,100	0	0
Taurus SW FWD	6,419	24,940	0	0
LTD	1,725	19,441	13,515	78,647
LTD SW	432	5,072	3,766	22,173
LTD Crn. Victoria	9,663	55,357	11,399	67,200
LTD Crn. Victoria SW	1,929	10,385	2,132	13,001
Thunderbird	12,382	71,336	13,835	78,342
Total	121,877	667,651	118,758	704,232
Lincoln Town Car	10,122	56,619	8,174	53,006
Mark VII	1,840	9,915	1,432	10,074
Continental	1,658	9,752	1,719	14,637
Total	13,620	76,286	11,325	77,717
Mercury Lynx FWD	4,524	28,486	7,131	32,104
Lynx SW FWD	930	5,602	1,414	6,930
Capri	1,109	6,066	1,067	7,670
Topaz FWD	5,994	31,745	4,347	42,522
Sable FWD	7,290	31,898	0	0
Sable SW FWD	2,471	9,840	0	0
Marquis	778	9,082	6,857	43,066
Marquis SW	97	999	803	4,868
Grand Marquis	9,461	50,881	9,169	56,684
Grand Marquis SW	915	4,904	937	6,083
Cougar	11,146	58,739	10,293	59,645
Total	44,715	238,222	42,018	261,572
Lincoln-Mercury Division Total	58,335	314,508	53,343	339,289
TOTAL FORD MOTOR CO.	180,212	982,159	172,101	1,043,521
Buick Skylark FWD	0	0	5,152	49,283
Skyhawk FWD	7,011	33,293	6,010	42,000
Skyhawk SW FWD	494	2,419	458	3,324
Somerset/Skylark FWD	13,372	80,470	11,400	50,959
Century FWD	18,388	105,745	17,188	89,653
Century SW FWD	2,261	11,109	2,195	12,682
Regal	7,005	40,555	9,274	50,821
LeSabre	0	0	10,376	63,807
LeSabre FWD	10,129	40,102	0	0
Electra FWD	8,768	58,354	8,129	34,685
Buick SW	1,473	7,231	1,109	7,096
Riviera FWD	1,352	8,275	4,132	24,552
Total	70,253	388,554	73,423	428,861
Cadillac DeVille	0	0	74	1,525
DeVille FWD	12,686	82,385	6,879	41,875
Cimarron	2,175	10,998	1,738	10,395
Fleetwood & Chassis	6,624	31,146	4,480	23,380
Fleetwood FWD	0	0	2,471	15,761
Eldorado FWD	1,489	10,392	6,671	33,113
Seville FWD	1,268	7,537	3,300	16,058
Total	24,252	142,458	25,613	142,107
Chevrolet Nova FWD	14,435	70,868	1,024	1,069
Chevette	5,215	36,655	9,146	59,840
Camaro	19,017	91,274	18,158	100,695
Cavalier FWD	31,441	173,600	28,522	180,297
Cavalier SW FWD	4,760	29,151	6,802	41,270
Citation FWD	0	0	3,774	33,608
Celebrity FWD	30,079	161,603	23,961	123,595
Celebrity SW FWD	8,925	42,664	7,777	39,396
Monte Carlo	9,999	52,970	10,223	56,094
Impala	0	0	4,717	25,899
Caprice	16,468	91,778	11,[illegible]	57,289
Chevrolet SW	4,431	22,544	4,9[illegible]	27,342
Corvette	3,366	17,748	3,339	19,290
Total	148,136	790,853	133,515	775,884
Oldsmobile Firenza FWD	3,315	16,847	3,059	23,811
Firenza SW FWD	480	2,663	726	5,483
Calais FWD	12,121	59,685	14,078	64,319
Cutlass Ciera FWD	25,060	147,679	25,962	135,326
Cutlass Ciera SW FWD	3,497	16,455	3,939	20,894
Cutlass Supreme-Calais	20,267	113,109	18,939	104,935
Delta 88	0	0	15,916	92,103
Delta 88 FWD	22,127	94,815	0	0
98 FWD	7,279	64,407	8,981	52,590
Oldsmobile SW	2,091	10,866	2,062	11,063
Toronado FWD	1,007	6,732	2,746	17,210
Total	98,114	530,088	98,408	527,754
Pontiac 1000	1,412	9,917	1,917	10,835
Firebird	10,163	48,197	10,103	51,610
Sunbird FWD	11,378	52,639	9,221	56,174
Sunbird SW FWD	480	2,798	727	4,312
Grand Am FWD	19,507	102,395	9,591	53,393
Bonneville	3,416	21,998	4,554	25,667
6000 FWD	15,032	79,8[illegible]	12,020	63,474
6000 SW FWD	1,796	7,[illegible]	1,431	7,003
Grand Prix	3,20[illegible]	21,[illegible]	4,677	27,132
Parisienne	4,791	34,[illegible]	3,753	23,032
Pontiac SW	1,133	7,[illegible]	1,355	7,106
Fiero	6,686	35,009	7,755	48,132
Total	78,993	422,978	67,104	377,770
TOTAL GM CORP.	419,750	2,254,931	396,063	2,252,176
Miscellaneous Domestic	9	46	14	105
Domestic Station Wagon Total	57,931	300,853	56,851	318,043
Domestic Grand Total	714,196	3,821,556	666,863	3,949,156
Import Total	297,641	1,597,006	256,047	1,309,811
Grand Total All Registrations	1,011,837	5,418,562	922,910	5,258,967

Automotive News analysis of new-car registrations based on R.L. Polk & Co. statistical report. Manufacturers' sales records used for comparing Oldsmobile.

Toyota puts a freeze on employment

TOYOTA CITY, Japan — In an effort to reduce production costs, Toyota Motor Corp. reportedly has decided to freeze the number of its plant employes at the current 64,000 level.

Meanwhile, the company announced that it has decided to reduce next spring's hiring of college and technical high school graduates by about 24 percent from this year's level.

Toyota plans to hire 580 new graduates next year, compared with 781 this year. The reason for the cut is the business downturn resulting from the yen's appreciation. Toyota reportedly suffered a 30 percent decline in its annual recurring profit for the year ended June 30.

This marks the first time in three years that Toyota has placed restrictions on new hirings of college graduates.

According to the Nihon Keizai, a local business publication, the number of Toyota plant workers at the end of June was up 8 percent, or 4,500, from a year earlier and 15 percent, or 8,200, from three years earlier, mainly due to increased manufacturing processes resulting from a larger number of vehicles produced.

The company reportedly also will reduce the number of auto components used in its various models — which is currently about 700,000 — by more the 100,000 by using the same parts in different models.

Output, sales rise in Japan

TOKYO — Due to increased domestic demand and exports, Japanese automakers produced 1.07 million vehicles in June to top last year's total by 2.6 percent.

The Japan Automobile Manufacturers Association said six-month output rose 2.0 percent to 6.24 million, a record for any first half. The previous high of 6.11 million units was set in 1985.

According to JAMA, production in the first six months included 3.96 million cars, up 4.9 percent over last year; 2.25 million trucks, down 1.6 percent; and 23,000 buses, down 55.1 percent.

Domestic demand for automobiles in the first half climbed 4.1 percent to 2.92 million units, a first-half record, while exports increased to 3.43 million units, up 5.2 percent, JAMA said.

Motorcycle production in the first half, JAMA said, dipped 11.7 percent to 1.96 million units, including 316,000 units in June, down 22.9 percent from a year ago. It was the fifth consecutive month that production declined from the year-ago total.

Chrysler Motors names three plant managers

DETROIT — New plant managers have been appointed at three Chrysler Motors plants.

They are: Philip T. Bray at the Kokomo, Ind., transmission plant; Lawrence C. Mitchell at the Indianapolis foundry; and Richard F. Buehler at the Mound Road engine plant in Detroit.

AUCTION DATES

American Motors

Aug. 19 — High Point Auto Auction, High Point, N.C.

Aug. 20 — Columbus Fair Auto Auction, Columbus, Ohio; Mid States Auto Auction, South Bend, Ind.; and Kansas City Auto Auction, Kansas City, Mo.

Aug. 21 — Corry Auto Auction, Corry, Pa.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Evansville Auto Auction, Evansville, Ind.

Aug. 22 — Floyd Hauhe Auto Auction, Bridgeton, Mo.

Chrysler Corp.

Aug. 19 — Hatfield Auto Auction, Hatfield, Pa.; Aptco Auto Auction, Taylor, Mich.; and Dallas Auto Auction, Grand Prairie, Texas (special summer clearance sale)

Used Car Sales
Auction Averages

August to date	$5,205
Month ago	$5,173
Year ago	$5,457

Aug. 20 — Butler Auto Auction, Gibsonia, Pa.; Sand Mountain Auto Auction, Boaz, Ala. (tentative); Southwest Auto Auction, Phoenix, Ariz.; and Minneapolis Auto Auction, Plymouth, Minn. (tentative).

Aug. 21 — Clanton's Auto Auction, Darlington, S.C. (tentative), and Northway Exchange, Clifton Park, N.Y.

Aug. 22 — Floyd Hauhe Auto Auction, Bridgeton, Mo.

Ford Motor Co.

Aug. 20 — Lakeland Auto Auction, Lakeland, Fla., and Brasher's Southern California Auto Auction, Fontana, Calif.

Aug. 21 — Aptco Auto Auction, Taylor, Mich.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo. (tentative)

General Motors

Aug. 19 — Southern Auto Auction, East Windsor, Conn.; and South Seattle Auto Auction, Kent, Wash.

Aug. 20 — Clanton's Auto Auction, Darlington, S.C.; Indianapolis Auto Auction, Indianapolis; and Hatfield Auto Auction, Hatfield, Pa.

Aug. 21 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; and Big H Auto Auction, Houston, Texas

Model Breakdown
Auction Averages

	AUG 1986	JUL 1986	JUN 1986
1986	$12,249	$12,574	$12,183
1985	$8,492	$8,522	$8,558
1984	$6,236	$6,259	$6,342
1983	$5,496	$5,501	$5,530
1982	$4,353	$4,358	$4,363
1981	$3,399	$3,395	$3,422
1980	$2,511	$2,528	$2,561
1979	$2,152	$2,164	$2,172
Overall Average	$5,205	$5,196	$5,194

100 vintage race cars slated to go on block Aug. 22 in California

MONTEREY, Calif. — The first vintage race-car auction in the Western United States will be held here Aug. 22, the same weekend as the Pebble Beach Concours and the Laguna Seca historic races.

The auction's 100 select vintage sports and race cars and antiques include such makes as Maserati, Jaguar, Alfa Romeo, Cobra, Lotus and Mercedes-Benz.

Rick Cole Auctions will conduct the auction. All proceeds from admissions will benefit Children's Service Center of Monterey County, a non-profit agency that finds homes for children through adoption and foster care.

USED-CAR AUCTION DIRECTORY

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Fort Worth Auto Auction. 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Thursday. Contact: George Horton, 817-626-5494.

WASHINGTON

So. Seattle Auto Auction. The lease & Fleet Specialists. Tom Chase, 1-800-872-6800. P.O. Box 5189, Kent, Washington 98064.

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Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, all leasing, AMC. 414-835-4436, Caledonia, Wisconsin.

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Import sales in Japan crack record for July with 6,035

TOKYO — Imported-car sales in Japan in July climbed 28.5 percent over a year ago to 6,035 units, the highest ever for the month. It was the 31st consecutive month that sales have topped the year-earlier level.

However, July sales fell 14.8 percent below the 7,085 vehicles sold in June.

According to the Japan Automobile Importers Association, July sales surpassed the previous record of 5,486 for the month set in 1979, the year import sales reached a record 60,161 units.

Cumulative sales from January through July this year increased 32.2 percent to a record 38,279, JAIA said.

The dealer association attributed brisk sales to lower interest rates on automobile loans involving some imported cars and lower prices resulting from the yen's appreciation against other currencies.

JAIA said the top-selling imports in Japan in July were Volkswagen, 1,475, up 36.2 percent over last year; BMW, 1,325, up 6.8 percent; and Mercedes-Benz, 1,061, up 28.9 percent.

In sales by countries of origin, West Germany was first with 4,587 units, up 22.2 percent over last year. The United Kingdom was a distant second with 383, up 49.6 percent, followed by Sweden, 314, up 57.8 percent; Italy, 312, up 54.5 percent; United States, 250, up 53.4 percent; and France, 175, up 59.1 percent. Other nations accounted for 14 units, JAIA said.

China gets diesel help

TOKYO — Nissan Diesel Motor Co. said it has agreed to sell its management and production expertise to a new state-operated automotive company in China to facilitate the production of heavy-duty vehicles.

A spokesman for the Japanese firm said the request for assistance was made by Second Automobile Works, located in Shiyan, Hubei Province, in Central China.

Nissan Diesel signed an agreement in August 1985 to supply technological data on heavy-duty trucks and to provide consulting services for the construction of a truck plant.

According to the spokesman, the agreement calls for Nissan Diesel, the truck manufacturing affiliate of Nissan Motor Co., to send its experts to instruct Chinese executives and workers on production management and planning, information management, quality control, operational rationalization and labor management, starting in 1987.

The Japanese firm will also send a team of experts to China in September to determine what is necessary for the plant's effective operation and to facilitate the transfer of technology.

The spokesman said the value of the contract will be determined during the team's visit to the Chinese plant.

APAA's export service recognized
Julian C. Morris, president of the Automotive Parts & Accessories Association, accepts the "E" award from President Reagan. The honor is awarded for export service. APAA works closely with Ambassador Clayton Yeutter, left, U.S. Trade Representative; and Secretary of Commerce Malcolm Baldrige, right, to expand auto parts exports.

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Auto sales down 4.5% for 10 days

By Jenny L. King
AUTOMOTIVE NEWS STAFF REPORTER

U.S. new-car sales for Aug. 1-10 dipped slightly from the year-ago total, which itself was depressed by a car haulers' strike and a quiet market.

Adding to this year's doldrums was the fact that there was one less selling day — eight, compared with nine in 1985. Actual sales were down 4.50 percent; they were up 7.44 percent on a daily-rate basis.

The Aug. 1-10 total this year was 152,079 compared with 159,241 in 1985. This year's daily rate was 19,010, up from 17,693.

Year-to-date sales of 4,940,725 were down 3.26 percent from 5,107,122.

General Motors dropped 15.11 percent, to 78,355 from 92,298. (It was down 4.50 percent on a daily-rate basis.) Ford Motor Co. reported sales of 41,435 new passenger cars, up 11.58 percent from 37,135 (up 25.52 percent daily rate).

Chrysler Motors' sales of 25,274 were up 2.57 percent from 24,640 (up 15.38 percent daily rate). American Motors plunged 48.15 percent, to 1,400 from 2,700 (down 41.67 percent daily rate).

The AMC total means that its dealers averaged about one car sale apiece during the Aug. 1-10 period.

Honda reported sales of 4,447 this year compared with 771 in 1985, when cars built were stranded by the haulers' strike.

DOMESTIC SALES

	August 1-10, 1986	August 1-10, 1985
Renault		
Alliance-Encore	1,250†	2,500†
AMC	150†	200†
AMERICAN MOTORS	1,400†	2,700†
Chrysler	7,537	8,160
Plymouth	7,799	6,975
Dodge	9,938	9,505
CHRYSLER CORP.	25,274	24,640
Ford	28,361	23,702
Mercury	9,813	10,667
Lincoln	3,261	2,766
FORD MOTOR CO.	41,435	37,135
Buick	12,507	19,233
Cadillac	5,285	6,373
Chevrolet	29,876	30,391
Oldsmobile	16,070	21,748
Pontiac	14,617	14,553
GENERAL MOTORS	78,355	92,298
VOLKSWAGEN	1,118	1,152
HONDA	4,447	771
NISSAN	50†	545†
U.S. INDUSTRY TOTAL	152,079	159,241

†—Estimate

Volkswagen listed 1,118, down from 1,152. Nissan sales were estimated at 50 compared with 545 a year ago.

GM's share of the market dropped to 51.52 percent from 57.96 percent. Ford moved up to 27.25 percent from 23.32 percent. Chrysler was up to 16.62 percent from 15.48 percent.

AMC slipped to 0.92 percent from 1.70 percent. VW earned 0.74 percent, up from 0.72 percent. Honda had 2.92 percent compared with 0.48 percent in 1985, and Nissan's 0.03 percent was down from 0.34 percent.

On a numbers-only comparison, Plymouth was up 11.81 percent, Dodge was up 4.56 percent and Chrysler was off 7.63 percent. Ford sales were up 19.66 percent, Lincoln was up 17.90 percent and Mercury was down 8.01 percent.

IMPORTS

FROM PAGE 1

The latest 40-day-supply figure compares with the 29-day supply a year-earlier.

The import truck inventory on Aug. 1 was 200,649, also the highest total since Automotive News began reporting import stock figures.

A month earlier, the count was 193,608 and a year earlier it was 74,720.

The 49-day supply of trucks on Aug. 1 compares with 64 days a month earlier and 20 a year earlier.

The combined car-and-truck inventory totaled 643,893 on Aug. 1. A month earlier, the figure was 593,714 and on Aug. 1, 1985, it was 366,591.

Days' supply of cars and trucks on Aug. 1 was 43, down from 46 on July 1, but up from the 26-day supply a year earlier.

Car inventories for the month were shared as follows: Japan, 73.00 percent; Germany, 16.67 percent; and other countries, 10.33 percent.

On July 1, the split was: Japan, 69.44 percent; Germany, 19.46 percent; and other countries, 11.10 percent.

Days' supplies of imported cars by country of origin on Aug. 1 were: Japan — Honda, 11; Toyota, 13; Acura, 32; Mazda, 34; Subaru, 46; Nissan, 47; Mitsubishi, 87; Chrysler, 99; Chevrolet imports, 120 (including 94 for the Suzuki-built Sprint and 138 for the Isuzu-built Spectrum); and Isuzu, 145.

Germany — BMW, 27; Mercedes Benz, 31; Porsche, 40; Volkswagen, 62; Merkur, 73; and Audi, 104.

Other countries — Jaguar, 20; Alfa Romeo, 33; Saab, 42; Yugo, 52; Volvo, 53; Peugeot, 86; and Renault, 198.

Trucks and their days' supplies were: Suzuki, 16; Toyota, 23; Mazda, 48; Nissan, 84; Mitsubishi, 97; Isuzu, 103; and Chrysler, 116.

All import truck figures include Nissan's domestic models.

IMPORT DAYS' SUPPLIES

	Aug. 1, 1986	July 1, 1986	Aug. 1, 1985
Spectrum	138	111	79
Sprint	94	60	62
Chevrolet	120	89	74
Chrysler Corp.	99	102	42
Acura	32	33	0
Honda	11	10	9
Isuzu	145	112	92
Mazda	34	29	23
Mitsubishi	87	58	18
Nissan	47	38	26
Subaru	46	31	22
Toyota	13	21	12
JAPAN	37	37	21
Audi	104	100	51
BMW	27	30	59
Mercedes-Benz	31	29	40
Merkur	73	78	117
Porsche	40	39	56
VW	62	63	66
GERMANY	52	52	57
Alfa Romeo	33	31	24
Hyundai	N/A	0	0
Jaguar	20	26	25
Peugeot	86	80	77
Renault	198	263	297
Saab	42	39	40
Volvo	53	47	41
Yugo	52	66	0
Other Countries	50	48	49
Total Import cars	40	40	29
Isuzu	103	93	29
Mazda	48	28	12
Mitsubishi	97	80	15
Nissan*	84	98	35
Suzuki	16	9	0
Toyota	23	59	12
Chrysler	116	81	38
Total Light Trucks	49	64	20
Total Imp. Vehicles	43	46	26

*Includes domestic trucks

VOLVO

FROM PAGE 1

will have three.

GM of Canada and Volvo are forming Volvo GM Canada Heavy Truck Corp. to distribute heavy-duty trucks built by the U.S. firm.

The equity investments by the two Canadian firms will be the same as in the United States, but board representation will be split 50-50 between Volvo and GM of Canada officials.

Officials expect the new joint venture to begin operations later this year after formal government approval in Sweden and the United States. It is expected to be be fully operational by mid-1988.

The new firm will sell current GMC and Volvo heavy-duty trucks and also the medium-duty FL 4 and FL 6 models imported by Volvo from Sweden.

Thomas McDaniel: He expects uncertainty among dealers and customers.

Eventually, officials expect to combine products into a single lineup. All future products will carry both the GMC and Volvo badges.

GMC and Volvo dealers will retain their separate franchises through the transition period, McDaniel said, but eventually will combined into a single dealer network. He said Volvo dealers will have access to GMAC financing.

He said he anticipated a reduction in the overall number of dealers now handling GMC and Volvo heavy-duty lines.

The two companies expect, though, to retain their separate factory branch stores, some of which are close to one another.

GMC currently has about 300 heavy-duty dealers, Volvo about 220.

On the basis of last year's sales, the newly formed company will be the fourth largest in the domestic heavy-truck market behind Navistar, PACCAR and Mack.

Volvo White and GM had a combined 17.3 percent of Class 8 retail sales last year.

Navistar had 21.4 percent of the Class 8 market, followed by PACCAR, whose combined Peterbilt/Kenworth sales accounted for 17.8 percent. Mack was next with 17.7 percent.

Freightliner had 13.5 percent of the market; Ford had 11.4 percent; and miscellaneous companies accounted for the remaining 0.9 percent.

McDaniel said, however, that a "wait-and-see" attitude by dealers and customers during the transitional period would affect sales and market shares.

GM plans to phase out heavy truck production at its Pontiac Central plant within about two years, assigning all heavy-duty production to Volvo's U.S. facilities.

Affected by the shutdown will be about 1,600 employes directly involved in heavy-duty operations plus an undetermined number of people in support operations.

The end of heavy-truck production at Pontiac Central will eliminate about 21,000 units of annual capacity from the domestic industry's Class 8 market. The plant has been producing at less than half capacity.

The domestic industry has capacity to build 200,000 Class 8 trucks a year. However, this year's sales are expected to be less than 120,000.

GM is essentially turning over all future product design and planning — as well as manufacturing, sales and service — to Volvo.

GM wants to concentrate its money and resources to shoring up its position in the medium and light-duty truck markets.

GM is No. 1 in medium-duty trucks, with 33 percent of the market, McDaniel said. There is a lot of overlap between medium and heavy trucks, with fleets often inclined to buy both from the same manufacturers.

GM, which is planning all-new medium-duty Class 3 to 7 models by 1990 (Automotive News, May 12) wants to "preserve its position" in that segment, particularly against the host of new foreign competitors, McDaniel said.

During the two-year transitional period, GMC will continue to introduce new products already on the boards. They include a new setback-axle General model that is scheduled to go on sale next January and the 60 series Detroit Diesel Allison engines that will be phased in during the 1987 model year.

But ultimately Volvo, which does just about all its design work in Sweden, will be calling the product shots and making the major new-product investments.

Truck operations have remained profitable

Volvo Truck Corp. of Gothenburg, Sweden, has remained profitable through the truck recession of the 1980s.

Last year, Volvo Truck's sales of $2.4 billion accounted for about 19 percent of the parent company's total. It reported an operating profit of $133 million, 12 percent of AB Volvo's total.

Volvo Truck has invested $355 million in capital expenditures during the past five years. Trucks also accounted for a substantial portion of the $1.9 billion invested by the Volvo group in research and development in the same period.

Last year, Volvo produced 41,200 trucks, including 11,200 in Sweden, 11,200 in Belgium and 10,800 in the United States.

Many of its driveline factories are working on two or three shifts. President Sten Langenius estimated that his company could produce 50,000 units a year with no major investment.

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PRODUCTION

5-millionth car built

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

United States automakers assembled their five-millionth car of the year last Thursday (Aug. 14), two weeks behind 1985.

So far this year, 5,019,066 cars have been built, 5.59 percent below the 5,316,424 completed last year at this time.

Last week's scheduled production of 90,814 cars was 18.35 percent more than the previous week's 76,733 but was 20.47 percent below the year-ago week's 114,186.

The makers split last week's targeted output as follows: General Motors, 36.39 percent; Ford Motor Co., 35.46 percent; Chrysler Motors, 15.97 percent; Honda of America Manufacturing Inc., 6.00 percent; New United Motor Manufacturing Inc., 4.11 percent; American Motors, 1.65 percent; and Nissan Motor Manufacturing Co., 0.42 percent.

Volkswagen of America's Westmoreland, Pa., plant remained idle last week for model changeover. The plant is to resume output of the Golf/GTI today (Aug. 18).

Nissan's car line in Smyrna, Tenn., resumed output on Aug. 12. The line had been idle since March 28, preparing for production of the 1987 Sentra four-door.

GM's Van Nuys, Calif., plant is to resume output today after being down for changeover. The Janesville, Wis., plant will resume production tomorrow.

GM's Lordstown, Ohio, plant resumed output Aug. 13 after being idle for changeover.

Ford's Atlanta plant is expected to resume production today. The plant has been closed since June 19 because of a strike over working conditions.

Ford's Dearborn, Mich., plant returned to work today after a two-week vacation.

All Ford plants except Wixom, Mich., are slated for daily overtime this week (Aug. 18).

Chrysler's Belvidere, Ill., and St. Louis (No. 2) plants were scheduled for overtime Saturday (Aug. 16). They are slated for daily overtime this week.

Truck output tops 60,000

Last week's domestic truck production of 60,405 units was 3.25 percent more than the previous week's 58,504 but was 6.96 percent below the year-ago week's 64,921.

Year-to-date, 2,256,993 trucks have been assembled, 3.67 percent more than the 2,177,050 completed last year at this point.

American Motors' Toledo, Ohio, plant resumed production today (Aug. 18) after being idle for vacation since July 21.

All Ford plants except Lorain, Ohio, and Twin Cities are slated for daily overtime this week.

Production rises in Canada

Canadian automakers scheduled production of 10,204 units last week, 14.42 percent more than the previous week's 8,918 but 49.18 percent below the year-ago week's 20,080.

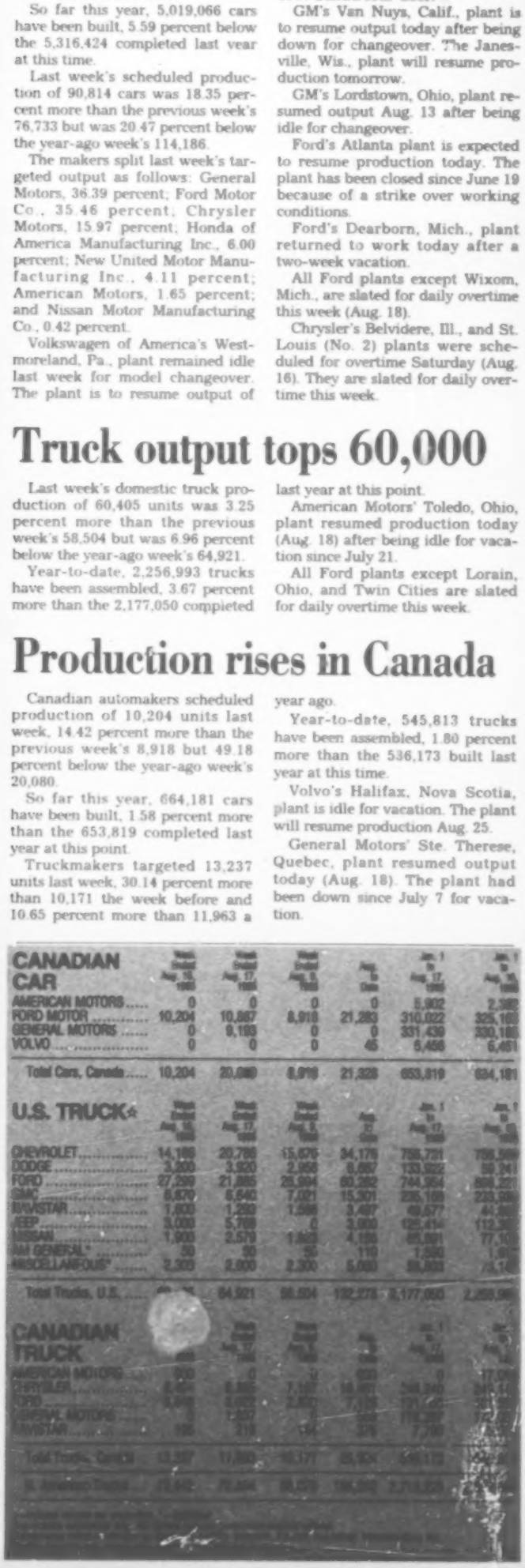
So far this year, 664,181 cars have been built, 1.58 percent more than the 653,819 completed last year at this point.

Truckmakers targeted 13,237 units last week, 30.14 percent more than 10,171 the week before and 10.65 percent more than 11,963 a year ago.

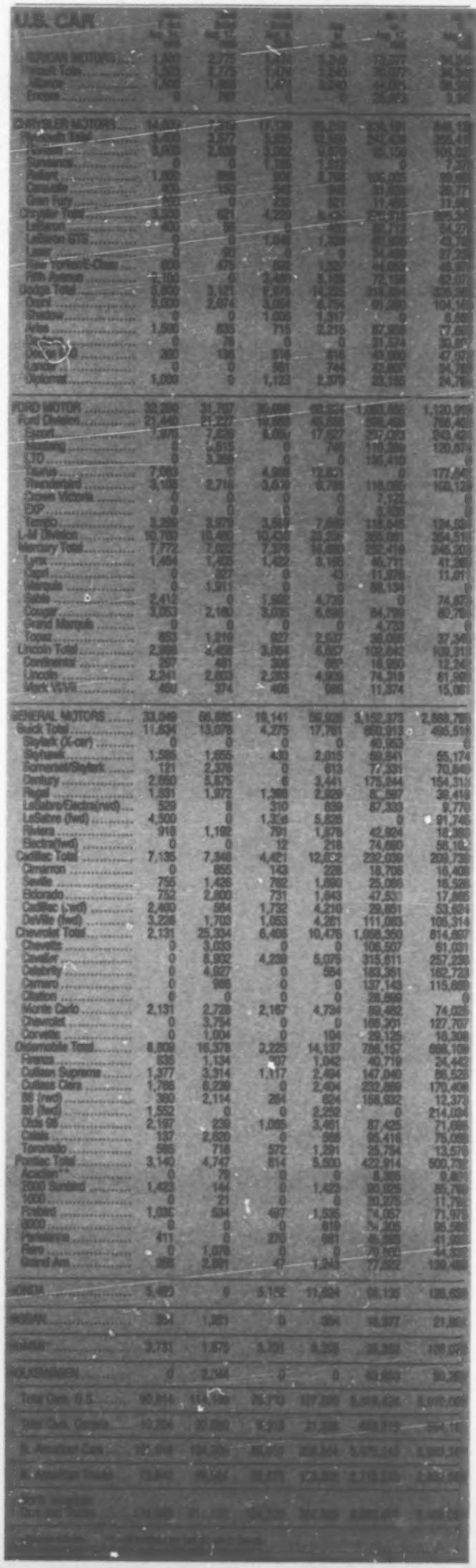
Year-to-date, 545,813 trucks have been assembled, 1.80 percent more than the 536,173 built last year at this time.

Volvo's Halifax, Nova Scotia, plant is idle for vacation. The plant will resume production Aug. 25.

General Motors' Ste. Therese, Quebec, plant resumed output today (Aug. 18). The plant had been down since July 7 for vacation.



CANADIAN CAR	Week Ended Aug. 10, 1985	Week Ended Aug. 17, 1985	Week Ended Aug. 9, 1986	Aug. 1 to Date	Jan. 1 to Aug. 17, 1985	Jan. 1 to Aug. 16, 1986
AMERICAN MOTORS	0	0	0	0	5,902	2,388
FORD MOTOR	10,204	10,857	8,918	21,283	310,022	325,165
GENERAL MOTORS	0	9,193	0	0	331,439	330,188
VOLVO	0	0	0	45	5,456	6,451
Total Cars, Canada	10,204	20,050	8,918	21,328	653,819	664,181
U.S. TRUCK*						
CHEVROLET	14,186	20,786	15,675	34,179	758,731	755,599
DODGE	3,200	3,920	2,958	6,857	133,922	59,241
FORD	27,299	21,885	26,934	60,282	744,954	806,227
GMC	6,879	6,642	7,021	15,301	226,199	233,339
INTERNATIONAL	1,800	1,260	1,566	3,497	49,677	44,866
JEEP	3,000	5,788	0	3,000	126,414	112,362
NISSAN	1,900	2,579	1,800	4,156	65,891	77,103
AM GENERAL*	50	50	50	110	1,550	1,950
MISCELLANEOUS*	2,300	2,600	2,300	5,000	58,803	73,142
Total Trucks, U.S.		64,921	56,504	132,278	2,177,050	2,256,993
CANADIAN TRUCK						
AMERICAN MOTORS	900	0	0	600	0	17,000
CHRYSLER	6,487	6,885	7,187	16,881	348,940	348,140
FORD	5,948	5,622	2,870	7,158	171,427	171,000
GENERAL MOTORS	0	1,257	0	0	110,397	72,000
NAVISTAR	185	219	134	374	7,730	5,673
Total Trucks, Canada	13,537	14,000	10,171	25,904	546,173	545,813
U. American Trucks	73,642	78,444	66,675	158,182	2,723,223	2,802,806



U.S. CAR	Week Ended Aug. 10, 1985	Week Ended Aug. 17, 1985	Week Ended Aug. 9, 1986	Aug. 1 to Date	Jan. 1 to Aug. 17, 1985	Jan. 1 to Aug. 16, 1986
AMERICAN MOTORS	1,800	2,775	1,800	3,240	73,277	34,314
Renault Total	1,500	2,775	1,800	3,240	39,077	34,314
Alliance	1,500	1,668	1,800	3,240	44,000	34,314
Encore	0	787	0	0	29,077	0
CHRYSLER MOTORS	14,600	7,115	15,120	35,220	539,181	648,139
Plymouth Total	3,400	2,577	3,600	10,560	242,404	225,417
Reliant	3,400	2,577	3,600	9,600	96,139	105,600
Sundance	0	0	0	960	0	7,200
Reliant	1,800	988	900	3,708	105,065	89,664
Caravelle	400	160	600	960	31,000	26,774
Gran Fury	200	0	220	620	11,400	11,600
Chrysler Total	3,200	621	4,220	4,400	230,713	285,397
LeBaron	400	98	0	400	89,713	84,227
LeBaron GTS	0	0	1,040	1,200	81,000	43,700
Laser	0	82	0	0	31,000	27,200
New Yorker/E-Class	600	475	600	1,000	44,000	48,900
Fifth Avenue	2,100	0	2,480	2,100	75,000	82,000
Dodge Total	5,800	3,121	6,975	14,225	313,284	326,300
Omni	3,000	2,074	3,000	6,750	97,000	104,100
Shadow	0	0	1,000	1,917	0	6,600
Aries	1,500	535	715	2,215	67,000	77,600
600	0	76	0	0	31,574	30,800
Daytona	300	136	816	816	43,000	47,500
Lancer	0	0	561	744	42,000	34,700
Diplomat	1,000	0	1,123	2,370	23,135	24,700
FORD MOTOR	32,200	31,707	30,698	66,824	1,060,686	1,120,910
Ford Division	21,440	21,227	19,869	45,696	696,488	766,400
Escort	1,976	7,826	5,000	17,627	257,023	243,427
Mustang	0	4,615	0	748	117,389	120,674
LTD	0	3,388	0	0	130,410	0
Taurus	7,083	0	4,868	12,821	0	177,647
Thunderbird	3,109	2,716	3,630	6,788	118,066	169,123
Crown Victoria	0	0	0	0	7,122	0
DP	0	0	0	0	6,658	0
Tempo	3,269	3,979	3,941	7,699	118,645	124,632
LM Division	10,760	10,480	10,829	20,230	366,081	354,511
Mercury Total	7,772	7,022	7,379	14,669	282,419	246,300
Lynx	1,454	1,403	1,422	3,165	46,771	41,200
Capri	0	327	0	43	11,976	11,011
Marquis	0	1,311	0	0	98,134	0
Sable	2,412	0	1,992	4,728	0	74,877
Cougar	3,053	2,180	3,035	6,699	84,798	80,700
Grand Marquis	0	0	0	0	4,733	0
Topaz	853	1,219	927	2,037	36,006	37,340
Lincoln Total	2,988	3,456	3,064	6,557	102,642	108,313
Continental	297	481	306	687	16,980	12,200
Lincoln	2,241	2,803	2,283	4,936	74,318	81,900
Mark VI/VII	450	374	465	986	11,374	15,061
GENERAL MOTORS	33,049	66,885	19,141	59,026	5,152,373	2,888,700
Buick Total	11,634	13,078	4,275	17,761	660,913	495,519
Skylark (X-car)	0	0	0	0	40,953	0
Skyhawk	1,585	1,655	430	2,015	59,841	55,174
Somerset/Skylark	121	2,378	0	613	77,331	70,840
Century	2,660	5,675	6	3,441	175,844	154,310
Regal	1,931	1,972	1,398	2,929	85,597	38,419
LeSabre/Electra(rwd)	529	8	310	839	87,333	9,770
LeSabre (fwd)	4,500	0	1,336	5,828	0	91,746
Riviera	918	1,192	791	1,679	42,924	18,360
Electra(fwd)	0	0	12	218	74,690	58,100
Cadillac Total	7,135	7,348	4,421	12,052	232,039	209,730
Cimarron	0	855	143	228	18,706	18,400
Seville	755	1,428	762	1,690	25,086	18,528
Eldorado	752	2,800	731	1,843	47,531	17,865
Cadillac (rwd)	2,400	564	1,732	4,210	29,651	53,624
DeVille (fwd)	3,228	1,703	1,053	4,281	111,083	105,314
Chevrolet Total	2,131	25,334	6,408	10,476	1,058,350	814,607
Chevette	0	3,033	0	0	108,507	61,031
Cavalier	0	8,902	4,239	5,076	315,611	257,239
Celebrity	0	4,927	0	584	183,361	162,723
Camaro	0	988	0	0	137,143	115,869
Citation	0	0	0	0	28,699	0
Monte Carlo	2,131	2,728	2,167	4,734	89,462	74,025
Chevrolet	0	3,754	0	0	168,301	127,707
Corvette	0	1,004	0	104	29,125	18,308
Oldsmobile Total	8,809	16,378	3,225	14,137	786,157	668,109
Firenza	835	1,134	207	1,042	40,719	24,442
Cutlass Supreme	1,377	3,314	1,117	2,494	147,040	88,523
Cutlass Ciera	1,766	6,239	0	2,404	232,869	170,408
88 (rwd)	390	2,114	284	624	158,932	12,377
88 (fwd)	1,552	0	0	2,252	0	214,024
Olds 98	2,187	239	1,086	3,461	87,425	71,666
Calais	137	2,620	0	508	95,416	75,069
Toronado	585	716	572	1,291	25,754	13,570
Pontiac Total	3,140	4,747	814	5,500	422,914	500,732
Acadian**	0	79	0	0	8,305	9,800
2000 Sunbird	1,423	144	0	1,423	80,025	85,700
1000	0	21	0	0	30,275	11,700
Firebird	1,035	534	497	1,535	74,057	71,970
6000	0	0	0	619	74,305	95,500
Fiero	411	0	220	981	46,895	41,000
Parisienne	0	1,076	0	0	79,800	44,332
Grand Am	266	2,891	47	1,942	77,652	139,480
HONDA	5,483	0	5,152	11,634	98,136	126,630
NISSAN	351	1,381	0	384	18,377	21,865
SAAB	3,731	1,979	3,731	8,259	28,268	109,078
VOLKSWAGEN	0	2,144	0	0	49,600	50,200
Total Cars, U.S.	90,814	114,186	76,770	187,289	5,998,426	5,018,000
Total Cars, Canada	10,204	20,050	8,918	21,328	469,819	664,181
U. American Cars	101,018	134,236	85,688	208,617	6,468,245	5,682,181
U. American Trucks	73,642	78,444	66,675	158,182	2,723,223	2,802,806
Total Vehicles	174,660	212,680	152,363	366,799	9,191,468	8,484,987

Big savings in tires seen for Detroit

By Dave Zeia
AUTOMOTIVE NEWS STAFF REPORTER

Industrywide cuts in wholesale tire prices enacted since last March could save the auto industry more than $100 million.

The 6 percent reduction in tire prices charged to original-equipment manufacturers is equivalent to about $1.30 to $2 per tire, sources said.

If OEM tire demand reaches 52 million units for cars and trucks in the coming model year as expected, the price cuts could translate into $78 million to $104 million in savings since the beginning of the 1986 model year, according to a New York-based auto analyst.

Tire makers trimmed wholesale prices twice during the past year. The first cut came last March, when Goodyear scaled back prices 3 percent, and other original-equipment tire makers followed. A second reduction of nearly 3 percent is being passed on to automakers for the 1987 model year by all the OEM tire suppliers.

Tire makers were able to offer automakers the break mainly due to sagging oil prices

"The major impetus for the lower prices is the drop in oil costs," said Harry W. Millis, a tire industry analyst with McDonald & Co. of Cleveland. "Raw materials are 55 percent of tire production costs and oil-based chemicals are 75 percent of all raw materials."

But the real inspiration for the cuts may have come from the automakers, particularly General Motors, which reportedly put the pricing squeeze on Goodyear last March in exchange for a promise to maintain Goodyear's share of GM business.

"I'd be surprised if there is any change during the model year," Millis said. "In my 25 years as an analyst, I've seen prices change only twice in the middle of the year. That was last March and back in 1980 when Uniroyal was in financial trouble and GM went along with increased prices in order to help bail it out.

"But the question of further cuts really boils down to whether Detroit gets into a jam or raw material costs put tire producers in the position to make further price reductions," he said.

Honda ponders Indonesian deal

TOKYO — Honda Motor Co. said it is considering a joint venture with Indonesia's P.T. Prospect Motor and other Indonesian investors to produce engines in Indonesia beginning next year.

Honda has been shipping knockdown kits of 1.3-, 1.5- and 2.0-liter engines to Prospect Motor for assembly. Last year, Honda shipped 8,000 such kits from Japan.

Honda already has an Indonesian joint venture with P.T. Imora Honda Inc., making seats, exhaust pipes, fuel tanks and other auto parts.

The Indonesian government treats commercial vehicles more favorably than cars. It imposes a stiff tariff on imported cars.

A venture with Prospect Motor would be Honda's second overseas engine program. This fall, Honda expects to begin producing 1.5-liter engines at an annual rate of 60,000 units at its Marysville, Ohio, plant.